

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6765

BILL NUMBER: SB 374

DATE PREPARED: Feb 2, 1999

BILL AMENDED: Feb 2, 1999

SUBJECT: Price may include sales tax.

FISCAL ANALYST: Jim Mundt

PHONE NUMBER: 232-9858

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that the prohibition against advertising the price of an item that includes the sales tax does not apply to items in value of \$20 or less that are sold on certain premises owned by municipalities and on certain entertainment complex premises.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) This bill would allow retail merchants to include the sales tax amount in the advertised price of an item that has a value of \$20 or less to be sold on certain premises owned by municipalities and on certain entertainment complex premises. The types of locations where this would apply would include stadiums, exhibition halls, auditoriums, theaters, convention centers, and civic centers owner or leased by municipalities. It would also include large privately owned entertainment complexes. If it is assumed that there will be no change in actual sales prices and the calculations of sales tax on those prices, the total liability to the state should not change.

Gross retail (sales) and use taxes are deposited in the State General Fund (59.2%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), and the Industrial Rail Service Loan Fund (0.04%).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Department of State Revenue, Tom Conley, 232-2107.